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GENERAL

1.	Allied use of Berlin air corridors may be in jeopardy:
.5X1A	US HICOG officials believe that the 12 January letter of the Soviet air commander in Germany, denying the validity of Allied-Russian air safety rules in the Berlin air corridors, presages possible harassment of allied air traffic. Soviet authorities may unilaterally attempt to limit or eliminate commercial flights to West Berlin.
	Comment: In a note exchange concerning an air incident last fall, Soviet officials assert that present corridor safety rules are invalid because the Allied-Russian Control Council never approved them. Soviet authorities have consistently taken the position that the air corridors were established for the use of occupation troops in Berlin and not for commercial carriers.
	While the USSR may deny the validity of the corridor agreements, there are no indications that drastic overt action other than radio-navigational interference will be taken against Westernaircraft.
	SOUTHEAST ASIA
2.	Burma may be considering termination of American Point IV aid:
25X1A	The American Embassy in Rangoon believes the Burmese Government may be considering ending the Point IV program. Leading officials are apprehensive lest the new American administration require commitments which the Rangoon government
	will be unwilling to make. They also appear convinced that Burma's favorable financial position will enable them to carry out their own development program.

Comment: Many members of the dominant Socialist Party resent dependence on foreign aid, and the presence in Rangoon of large numbers of Americans connected with the program has caused widespread irritation.

3.	Report of Sino-Viet Minh pact viewed with suspicion:
25X1A	The British Foreign Office doubts the veracity of the recently publicized revelation by a defector from the Viet Minh that Communist China has a formal agreement to intervene with troops in the event the Viet Minh is threatened with annihilation. The defector, who claims to have been a financial adviser to Ho Chi Minh, has previously "peddled" similar information to Reuters correspondents and the British Consulate in Hanoi.
	The glibness of the statements causes the Foreign Office to wonder whether the source may not be a planted Communist agent. It is also possible that the French are encouraging him in an effort to gain support for their Indochina policy.
	Comment: There has been no confirmation of many previous rumors of a formal agreement for Chinese troop intervention in Indochina should Viet Minh forces face defeat. A pact of this nature, however, is entirely possible and there are indications that French reluctance to undertake sustained offensive operations in Indochina derives partially from fear of its existence.
	SOUTH ASIA
4.	Madame Pandit denies India is continuing efforts to seek Korean peace:
25X1A	Madame Pandit told Ambassador Bowles on 28 January that she, Prime Minister Nehru and others had been greatly upset over Krishna
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25X1A

Menon's statement that India would continue its efforts for a truce in Korea and that one side or the other must modify its position. She also said that the Minister of External Affairs had decided three days before Menon's statement that his government would take no further steps for the present and would avoid all possible publicity. The decision was reached because the Chinese have deliberately shown resentment toward India.

Comment: Despite these statements, it is believed that India will continue to press for a Korean truce. The Indian Government has a deep-seated conviction that peace in Korea can be achieved and Peiping's relations with the outside world improved if China is made a member of the United Nations.

NEAR EAST - AFRICA

Three more Italian tankers chartered to ship Iranian oil:

The Italian company, EPIM, which attempted to break the British oil blockade with the tanker Rosemary, now impounded in Aden, recently chartered two more tankers for a trip to Abadan, according to a usually reliable shipping source in contact with the American Embassy in Rome.

Another Italian company, SUPOR, which leased the Miriella, now en route from Abadan to Italy, has chartered another tanker in which to carry Iranian oil.

Comment: These Italian efforts, coming at a time when the Anglo-Iranian oil negotiations are stalemated, may encourage Prime Minister Mossadeq again to believe that he can sell oil without a settlement with AIOC.

6.	British Ambassador sees new barrier to agreement with Egypt on Sudan
25X1A	The British Foreign Office now considers that the most crucial issue in the discussions with Egypt over the Sudan is the time limit for transferring administrative jobs from British officials to Sudanese, according to the British Ambassador in Cairo. He admits that Sudanese leaders will not support the British position and fears that disorders will break out if the negotiations fail on this point.
	Comment: Britain refuses to agree that all administrative positions must be transferred to the Sudanese within the three-year period between the promulgation of the new constitution and the Sudanese decision on their political future.
	British insistence on this issue at this stage in the negotiations will strengthen Egyptian belief that Britain is not interested in a settlement.
	EASTERN EUROPE
7.	Yugoslav officials analyze Russian internal events:
25X1A	In recent conversations with the American Ambassador in New Delhi, Yugoslav Deputy Foreign Minister Bebler and party theoretician Djilas expressed the opinion that Beria may be in disgrace and that Russia is undergoing crucial internal struggles, probably associated with the choice of Stalin's successor.
	Comment: Both Djilas and Bebler, by virtue of their long association with the Russians, are particularly acute observers of Soviet behavior.

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